

EXECUTIVE OFFICE OF THE PRESIDENT

BUREAU OF THE BUDGET

WASHINGTON, D.C. 20503

65-6049/1

OCT 13 1965

Honorable W. F. Raborn, Jr.
Director, Central Intelligence Agency
Washington, D.C. 20505

Dear Red:

I am enclosing Budget Bulletin No. 66-3, which spells out guidelines for establishing a Planning-Programming-Budgeting system in all the major agencies within the Executive Branch. This system ties together program planning and budgeting in a way which we have not done before.

As you know, on August 25th at a Cabinet meeting, the President directed that this system be instituted throughout the Government. He has expressed a keen interest in seeing it carried through into the formulation of program plans and budget recommendations for the 1968 budget. This system will permit a much more orderly, careful, and concrete formulation of program and budget recommendations. Most importantly, it is designed to minimize the problem of short-time deadlines under which summer budget previews and fall budget reviews have been carried on.

I am convinced that the new system will prove extremely valuable to each agency head, as well as to the President, as an instrument around which to organize in a systematic manner program and budgetary decisions. But its successful inauguration and functioning depend crucially upon your own personal involvement. If it is treated simply as a routine change in instructions for preparing budgetary submissions, it will never reach its potential. I urge you, therefore, to take a personal interest in getting the system firmly established. It is particularly important that the actions to be taken under the attached Bulletin to get this system underway be completed by the dates specified.

The first step, as the Bulletin specifies, is to inform the Bureau of the Budget of the name of the official you have designated to be responsible for the development of the system within your agency. As soon as those names have been submitted

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for the various departments and establishments, I plan to meet with those officials, and with others who will be involved, to discuss in more detail the Planning-Programming-Budgeting system.

You will note that the Bulletin refers to questions which should serve as the starting point for the preparation of in-depth analyses of programs or parts of programs. The first list of questions for your agency will be transmitted to you shortly. The analyses should result in "issue papers" which are similar to those requested by the Bureau of the Budget in connection with the last two budget previews. However, we will now want to receive them over a longer period during the year.

Sincerely,



Charles L. Schultze
Director

Enclosure

MEMORANDUM FOR: Colonel White

We have sent a copy to BPAM to staff and work up a response.

Also will disseminate, via Executive Memo, to DCI, DDCI, and all components. This should help muffle some of the sounds raised at FPBC this morning.



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18 October 65

(DATE)

FORM NO. 101 REPLACES FORM 10-101
1 AUG 54 WHICH MAY BE USED.

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